

Message Text

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51

ACTION ARA-10

INFO OCT-01 ISO-00 INRE-00 SSO-00 USIE-00 CIAE-00 COME-00

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FM AMEMBASSY BUENOS AIRES

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E. O. 11652: N/A

TAGS: ELAB, ECOM, PINT, AR

SUBJECT: COLLECTIVE BARGAINING RESULTS

REF: BA 4154

SUMMARY. MAJOR UNIONS SIGNED COLLECTIVE BARGAINING CONTRACTS JUST AFTER JUNE 19 DEADLINE. PUBLIC SECTOR INCREASE STILL UNANNOUNCED. MAJOR PRIVATE SECTOR UNIONS OBTAINED REAL INCREASE, INCLUDING BONUSES AND RECLASSIFICATIONS, RANGING BETWEEN 100-135 PERCENT. AVERAGE PRODUCTIVE WORKERS' INCREASE IS ABOUT 70 PERCENT. WHITE COLLAR EMPLOYEES RECEIVED SOMEWHAT LESS. ON INSTRUCTIONS GOA, UNIONS ARE NOT ANNOUNCING AMOUNT OF INCREASE, WHICH GOA INSISTS WAS ONLY 45 PERCENT. GOA OBVIOUSLY INSISTING ON THAT FICTION TO ENFORCE LOWER CEILING ON PUBLIC SECTOR. END SUMMARY.

1. MAJORITY OF PRIVATE SECTOR UNIONS SIGNED COLLECTIVE BARGAINING CONTRACTS JUNE 20-21, JUST AFTER EXTENDED JUNE 19 DEADLINE. JUNE 14 DECREE EXTENDING DEADLINE HAD APPARENTLY DEFUSED SERIOUS LABOR-GOA CONFRONTATION ON ISSUE, BUT ADDITIONAL PROBLEMS AND DIRECT WORKER ACTIONS DRASTICALLY RAISED TENSIONS AGAIN PRIOR TO FINAL RESOLUTION. MAJOR SECTORS WITH STILL UNRESOLVED CONTRACTS ARE NEWSMEN AND PUBLIC SECTOR EMPLOYEES, OF WHICH

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ONLY RAILWAY, TELEPHONE AND TELECOMMUNICATIONS UNIONS HAVE

SIGNED. MINLABOR OTERO STATED THAT CONTRACTS SUCH AS THOSE SIGNED BY MARITIME WORKERS (200 PERCENT INCREASE) WILL NOT BE ACCEPTED, AND THAT HE WOULD NOT HESITATE TO FORCE MINLABOR ARBITRATION ON INTRANSIGENT PARTIES. INCREASE FOR PUBLIC EMPLOYEES, OTHER THAN GOVT ENTERPRISES WORKERS, TO BE SET BY DECREE.

2. GOA ANNOUNCED THAT AVERAGE WAGE INCREASE WAS 45 PERCENT; UNIONS, OBVIOUSLY AT INSTRUCTIONS GOA, ARE NOT ANNOUNCING PERCENTAGE INCREASES. NEVERTHELESS, PRESS REPORTS INDICATE THAT METAL WORKERS (UOM) RECEIVED INCREASES RANGING FROM 100 TO 135 PERCENT; TEXTILE WORKERS (AOT) APPROXIMATELY 100 PERCENT; COMMERCIAL WORKERS (CGECRA) 95 TO 100 PERCENT; AND THAT THE CONSTRUCTION WORKERS (UOCRA) REAL INCREASE WAS APPROXIMATELY 100 PERCENT, RATHER THAN ANNOUNCED 45 PERCENT. OVERALL AVERAGE OF PRODUCTIVE SECTOR IS BELIEVED TO BE ABOUT 70 PERCENT. HIGHER PAID WHITE COLLAR EMPLOYEES RECEIVED CONSIDER-

ABLY LESS. INCREASES ABOVE GOA 45 PERCENT GUIDELINE WERE WORKED OUT BY GRANTING OR RAISING BONUSES, RECLASSIFICATION OF POSITIONS, ETC.

3. GOA OBVIOUSLY INTENDS ENFORCE 45 PERCENT INCREASE GUIDELINES ON PUBLIC SECTOR EMPLOYEES. HOWEVER, STATE ENTERPRISE EMPLOYEES, I.E. RAILWAY, LIGHT AND POWER, ETC., WILL RECEIVE ADDITIONAL BONUSES AND RECLASSIFICATIONS IN SAME MANNER AWARDED PRIVATE SECTOR EMPLOYEES. RAILWAY WORKERS UNION OFFICIAL ADVISED LABATT THAT THEY HAD SIGNED FOR 45 PERCENT, BUT THAT ADDITIONAL CLAUSES GAVE THEM APPROXIMATELY 15 PERCENT MORE.

4. EMBASSY WILL BE CANVASSING CONTACTS IN NEXT FEW DAYS TO OBTAIN GREATER INSIGHT INTO ACTUAL RANGE AND EXTENT OF WAGE INCREASES. ALTHOUGH SOME SECTORS WILL OBVIOUSLY BE UNHAPPY WITH RESULTS, WE BELIEVE SETTLEMENT WILL BRING MEASURE OF INDUSTRIAL PEACE FOR AT LEAST SHORT TERM. ECONOMIC EFFECTS AND LARGER POLITICAL ISSUES INVOLVED WILL BE ANALYSED IN GREATER DEPTH SHORTLY.
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